



OFFICE OF THE

# Auditor General of British Columbia

*A Review of Financial Management Issues  
in the Office of the  
Police Complaint Commissioner*

*July 2002*

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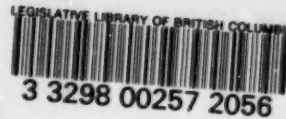
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The Honourable Claude Richmond  
Speaker of the Legislative Assembly  
Province of British Columbia  
Parliament Buildings  
Victoria, British Columbia  
V8V 1X4

Dear Sir:

I have the honour to transmit herewith to the Legislative Assembly of British Columbia my 2002/03 Report 2: A Review of Financial Management Issues in the Office of the Police Complaint Commissioner.

*Wayne Streliaff*

Wayne Streliaff, CA  
Auditor General

Victoria, British Columbia  
July 2002

copy: Mr. E. George MacMinn, Q.C.  
Clerk of the Legislative Assembly



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## Auditor General's Comments

The Police Complaint Commissioner is British Columbia's newest statutory officer. Established under Part 9 of the Police Act, this office began operations in 1998. Under the legislation, both Part 9 and the work of the Police Complaint Commissioner was to be reviewed within three years after Part 9 came into force. A special committee of the Legislative Assembly was therefore established in the summer of 2001 and has been holding hearings since then. During the committee's deliberations, information, including allegations about possible financial improprieties in the commissioner's office, was brought to my attention. This concerned me.

When there are concerns about financial management issues in government organizations, staff from the Office of the Comptroller General may carry out an examination to assess the situation. In those cases, the findings are reported to management. When the concerns relate to a statutory officer of the Legislature, my Office can undertake a review so that I can report my findings to members of the Legislative Assembly.

I undertook this review of the Police Complaint Commissioner's financial management practices because I believe that, in my capacity as Auditor General, I have a responsibility to bring clarity to issues raised in a very public forum. Legislators should be informed about whether the concerns raised are substantiated by facts, and where they are, whether the concerns represent significant financial mismanagement and abuse of financial authorities that might be characterized as serious financial misconduct, or whether they are simply examples of weak financial management practices.

I assessed whether financial transactions at the office of the Police Complaint Commissioner were managed in accordance with government's financial policies and practices, and whether appropriate financial accountability information was provided to members of the Legislative Assembly.

I did not examine how the commissioner made decisions in relation to his role in overseeing the police complaints process, nor did I examine the quality of general management practised by the commissioner or the way in which staff were managed on a day-to-day basis.

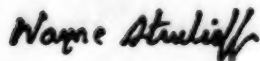
From my review, I found no evidence the Police Complaint Commissioner acted with improper motive or for improper purpose. However, I did find important performance standards and practices which all public officials are expected to meet and follow were not adhered to by the Police Complaint Commissioner. It is particularly important an independent officer of the Legislature embrace such standards and practices.

In this report, I describe a number of instances where financial management practices and internal controls are substandard and clearly require immediate change. Those practices pertaining to contract management and related spending authority are the most serious as they contravene the Financial Administration Act.

With a legislative committee now appointed to seek a new permanent commissioner, the office will undergo change. I urge the committee and the successful candidate to consider carefully issues raised in this report (and in other reports of my Office on improving government practice pertaining to contract management, accountability, and the work environment) so similar problems are avoided in future.

I plan to discuss with the new commissioner the need for an annual audit of the finances of his or her office. Some of the concerns raised in this report may have been addressed in a more timely manner with such an audit.

In closing, I wish to acknowledge and thank all those who assisted and cooperated with my Office during the course of our work for this review.



Wayne K. Strelloff, CA  
Auditor General

Victoria, British Columbia  
July 2002

## Background

Officers of the Legislature occupy a unique position in our system of governance. Independent of government, they report directly to the Legislative Assembly on those matters that legislators direct them to focus on through their enabling legislation. Currently there are six Officers of the Legislature. One of the newest is the Police Complaint Commissioner who—as established under Part 9 of the Police Act, which came into effect in July 1998—is mandated to oversee the police complaints process in British Columbia.

The Police Complaint Commissioner is appointed by Cabinet on the recommendation of the Legislative Assembly for a term of six years and is not eligible for reappointment. The commissioner oversees the handling of complaints about police conduct. Since July 1998, operations of the office have seen increases in total expenditures and authorized staff levels, growing from a budget of \$837,000 and 6 full-time equivalent positions (FTEs) in 1998/99 to \$1,159,000 and 11 FTEs for 2001/02.

The Police Complaint Commissioner has jurisdiction over 12 police departments and one First Nations police service in British Columbia. The commissioner's authority does not extend to the RCMP. In performing the role, the commissioner reviews how complaints are investigated by the police departments receiving them to ensure that investigations are thorough and the outcomes are fair. This may include arranging for public hearings when the commissioner believes it is in the public interest or when a respondent to a complaint requests one. The commissioner is also expected to inform the public about the complaints process and the functions and duties of the Police Complaint Commissioner. This is done through the publication of printed materials and organization of meetings with community groups. As well, the commissioner develops training programs for police departments on topics such as managing the complaints process and investigating complaints.

The Office of the Police Complaint Commissioner has received a great deal of attention from legislators over the past year. In the fall of 2001, the Select Standing Committee on Finance and Government Services carried out a financial review of all statutory officers of the Legislature, including the Police

Complaint Commissioner. In its report, issued in December 2001, the committee made recommendations about allowing the commissioner to recover operating costs, and about providing the office with contingency funding in the amount of \$264,975 for the 2001/02 fiscal year. The committee also noted that budget forecasting for the office posed a challenge, because statutory obligations regarding the holding of public hearings can drive costs higher.

By legislation, a special committee of the Legislative Assembly must begin a comprehensive review of Part 9 of the Police Act and the work of the Police Complaint Commissioner within three years of the act coming into effect. A special committee was therefore established on August 9, 2001, and it met often over the fall, winter and spring. Before its review was complete, however, the Police Complaint Commissioner submitted a letter of resignation to the Speaker of the Legislative Assembly on May 27, 2002. The resignation was accepted by the Speaker and became effective as of that date. The special committee is to issue its final report by August 9, 2002.

Our Office has also reviewed certain aspects of the operations of the Office of the Police Complaint Commissioner. In the fall of 2001, the commissioner asked us to assist him with preparing his budget. One of our staff spent a limited amount of time at the commissioner's office last December doing this. However, as the special committee deliberations continued, information brought to our attention from several sources caused us concern. These included allegations of possible financial improprieties.

After reviewing that information, we decided to examine how financial matters were managed in the Office of the Police Complaint Commissioner and to report our conclusions to the Legislative Assembly.

## Purpose and Scope of Review

The purpose of our review was to assess whether financial transactions at the Office of the Police Complaint Commissioner were managed in accordance with government's financial policies and practices, and whether appropriate financial accountability information was provided to members of the Legislative Assembly. The focus was on assessing the reasonableness of expenditures and their compliance with government financial management guidelines.

Our review covered the period from July 1998 to March 31, 2002, the first four years of Police Complaint Commissioner operations.

We approached our review in two phases. First, we examined the specific concerns that were brought to our attention. These included allegations about inappropriate spending and inappropriate personnel practices. As we started our review, other allegations of impropriety were raised, centring primarily on travel arrangements and trips taken by the commissioner. We therefore expanded our review to encompass these other matters. As well, the commissioner asked that we examine expenditures made for an information system project funded in 1997 and 1998 when the office was being established. We included this in our review too.

For the second phase of our audit, we carried out a more detailed examination of spending over the past four years. Using a risk-based approach, we focused on accounts where there was discretionary spending that could result in inappropriate expenditures. This allowed us to provide a broader assessment of the probity of expenditures made by the Office of the Police Complaint Commissioner.

We did not examine how the commissioner made decisions in relation to his role in overseeing the police complaints process, nor did we examine the quality of general management practised by the commissioner or the way in which staff were managed on a day-to-day basis.

## Overall Conclusion

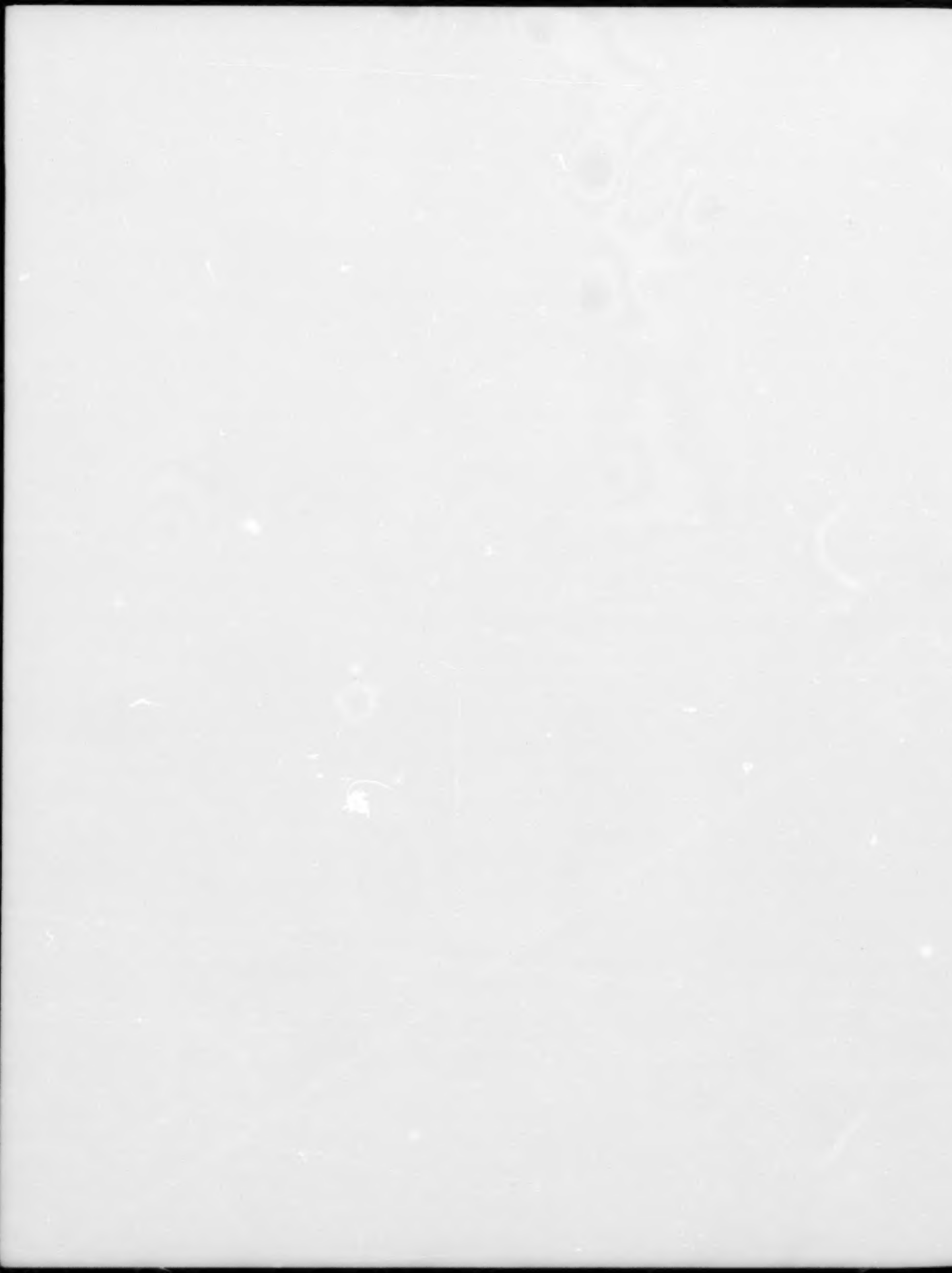
We found no evidence the Police Complaint Commissioner acted with improper motive or for improper purpose. We concluded the commissioner had not put in place sound financial management and accountability practices within the Office of the Police Complaint Commissioner and that the financial affairs of the office were not adequately managed.

We also concluded that improvements in performance need to be made in several areas. Although the use of contingency funds in the office was reasonable in the circumstances, a better approach must be developed to reduce the frequency of contingency requests. Better management of contracts for legal counsel is required as well, particularly to ensure that funding exists before any contract is initiated or amended and that monies are not spent without an appropriation being in place. We found that the hiring process for the senior counsel, and the provisions surrounding the individual's continued private practice work, did not meet public sector expectations for adequate transparency and concern for value for money. Significant enhancements addressing these areas and the office's financial accountability are needed.

Performance in all these areas fell below the high standard expected of public sector employees in British Columbia. We believe that the problems at the Office of the Police Complaint Commissioner highlight the importance of strong financial management.

## Detailed Findings

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## Award and Management of Contracts

### *All contracts for legal services were direct awards*

Since the Office of the Police Complaint Commissioner began operations in July 1998, it has contracted for approximately \$795,000 in legal services, of which approximately \$608,000 has been expended. Concerns about the propriety of the office's practice of direct awarding of contracts for legal services were recently raised.

Government policy states that, in general, a contract that exceeds \$25,000, can only be awarded on the receipt of written bids or proposals. However, the policy does allow some exceptions. Competitive bids are not required when:

- there is only one contractor who can do the work;
- an emergency exists or a delay associated with a competitive process would be contrary to the public interest; or
- the work is of a confidential or privileged nature.

In the Office of the Police Complaint Commissioner, we found all contracts for legal services had been awarded directly during the first four years of the office's operations. Four contractors were used, and only three of the nine contracts issued were initially for less than \$25,000.

In each case, documents stated only one contractor was suitable to do the work. The commissioner told us he believed the exceptions to the competitive bidding requirements applied in his retention of contract legal counsel, it was his responsibility to obtain suitable resources, and those he contracted with had the skills and experience he needed at the time. In our assessment, the commissioner's use of these exceptions allowed by government guidelines was not unreasonable. The services of the ad hoc counsel, requiring a close working relationship with the Police Complaint Commissioner, involved discussions of a confidential and privileged nature.

### *Contracts and funding were not always in place while legal services work was underway*

Good management practice requires a formal contract be in place before work actually begins. This provides for a clear definition of the services being purchased and reduces the risk of paying for services not actually wanted or needed. Added to this, the Financial Administration Act requires that an appropriation be available for an agreement in the year the payment falls due.

In several cases, we found that contractors started work for the office before a formal contract—and the associated funding—was in place. In one instance, work started in September 2000 and about \$46,000 worth was completed before the contract was signed in February 2001. In a similar case, work started in November 2000 and \$12,000 worth was completed before the contract was signed, again in February 2001. In both of these examples, the expenditures related to work for public hearings and responses to court challenges that the commissioner determined were part of his mandate.

Although contract approval was ultimately provided in both cases, a decision by Treasury Board to turn down the requests could have put the Police Complaint Commissioner in the untenable position of not having funds to pay contractors for work already completed.

It is poor fiscal control to allow a potential contractor to carry out work without an official agreement—and contrary to requirements of the Financial Administration Act—when the budget does not contain sufficient funds, and Treasury Board approval is required to provide the contingency monies. We noted, for example, that in May 2000, Treasury Board provided \$31,633 in contingency funds for fiscal 1999/2000 to establish an appropriation for monies that had been spent on public hearings without adequate funds having been in place.

Better contract management is required to prevent similar problems in future.

### *Contract amendments were not always in compliance with policy*

Government policy requires that sufficient funds exist in an appropriation before a contract can be amended.

In the Office of the Police Complaint Commissioner, an electronic spreadsheet has been developed to track contract commitments and balances remaining on contracts. However, we found a number of instances over the years when the work carried out and the related invoices exceeded the amounts stipulated in contracts. This required amended contracts to be signed after the work had been carried out. In some cases, Treasury Board approval for additional funding was also required because the funds were not available in the authorized budget. This runs contrary to the Financial Administration Act and government policy, which required that funds exist in an appropriation before a contract can be amended.

In fiscal 1999/2000, a contract signed in October for \$20,000 was amended in January to \$75,000 and again in March to \$83,000. These amendments were necessary because the invoices exceeded the initial contract amounts.

In 2000/01, a contract signed in May 2000 for \$50,000 was increased in October to \$70,500 because the contractor had billed more than stipulated. In February 2001, the contract was amended to a total of \$120,000. Another contract for \$50,000 from May 2000 was amended to \$132,000 in October because the contractor had charged \$131,000 in work by that time. Treasury Board approval for the increase to \$132,000 was sought and received after the work had been carried out.

These expenditures related to work for public hearings and responses to court challenges. We acknowledge that the nature of the work makes it difficult to estimate total funding needs or to halt the process when stipulated amounts in contracts have been reached. However, better management over the contracts could have identified the need for contract and funding adjustments on a more timely basis. By not ensuring that contract amendments were approved before work was actually carried out, the Police Complaint Commissioner risked not having sufficient funds to cover the contract overages as well as being in contravention of government policy.

## Personnel Practices

### *Hiring of senior counsel did not follow an accepted process*

Under the legislation establishing the Office of the Police Complaint Commissioner, staff are to be hired in accordance with the Public Service Act, the provisions of which require that an appointment be based on the principle of merit, and be the result of a process designed to appraise the knowledge, skills and abilities of eligible applicants. The intent is to create a hiring process that is objective and fair to all individuals.

When a large number of candidates apply, it is usual for the agency involved to develop a short-list based on the information that applicants provide on their education, skills, knowledge, experience and past work performance. It is also usual for interviews to be carried out with those on the short-list so that the most suitable candidates can better be identified.

During fiscal 2001/02, the Police Complaint Commissioner conducted three hiring processes to fill the positions of Deputy Commissioner, Senior Executive Secretary and Senior Counsel.

We found the competitions for the Deputy Commissioner and the Senior Executive Secretary were handled in accordance with public service guidelines. The positions were advertised, the applications were ranked against relevant criteria, and the short-listed candidates were interviewed by a panel and ranked against each other. For the deputy position, 3 of 11 applicants were interviewed, for the senior executive secretary position, 4 of 29 applicants were interviewed.

However, while the office's hiring process for the senior counsel started appropriately, it concluded abruptly, in a manner that raises questions about the fairness of the exercise to the competing candidates. There were 31 applicants for the position. All were ranked against 9 criteria and by how their background and experience matched the position requirements. Seven candidates were then identified for subsequent interviews.

For this stage, a pre-interview applicant package was developed covering 10 issues that candidates were expected to cover during the interview process. However, the package ended up being provided to only one applicant and that person was

interviewed by a panel consisting of the commissioner, his deputy and a contract lawyer for the commissioner. Following the interview, the applicant was advised that he was the successful candidate and he accepted the position.

Clearly, the process did not work as intended in this case. Of the seven short-listed candidates, one received preferential treatment. As a result, there is no assurance that the best candidate was selected.

We are concerned about this lack of fairness. The successful applicant previously worked with the commissioner when both were Crown counsel, and he had also worked recently with the commissioner as a contract counsel. In a situation where public service hiring policy should obviously have been scrupulously followed, it was not.

### *Arrangements for the senior counsel's private practice work were not clearly defined*

During the hiring process, the senior counsel candidate made it known he wished to continue with some of his private legal practice.

The Standards of Conduct for Public Service Employees allow for employees to carry on such outside remunerative work with another employer provided it does not:

- interfere with the performance of their duties as public servants;
- represent a conflict of interest or create the reasonable perception of a conflict of interest; or
- involve the unauthorized use of work time or government premises, services, equipment or supplies to which the employees have access by virtue of their public service employment.

We found the Police Complaint Commissioner took an informal approach to this issue and exercised inadequate controls. Several aspects of the matter concern us.

First, the senior counsel was not able to begin on the agreed date of November 26, 2001. Staff told us he did not appear until approximately two weeks later, although his salary started as of November 26. We found no information allowing for this transition phase or explaining how the salary paid for

by government but not earned would be made up. To show that the time had already been compensated for, the senior counsel prepared a report in April 2002 identifying the time spent on work for the commissioner prior to November 26. However, it amounted to only one week's work while the delay in starting was two weeks.

Second, there was no formal agreement between the commissioner and the senior counsel setting out the expectations of each party, including any limitations or restrictions about the use of work time, premises, equipment or clientele. For example, there were no limits identified as to minimum blocks of time to be charged as annual leave for the purposes of outside work.

Related to the above concern is the lack of a process for tracking time charged to Police Complaint Commissioner business separately from time charged to private practice. Without such a system, there is no way to ensure that all of the time taken during normal working hours for private practice work has been adequately accounted for. We are also concerned that some of the documentation for leave was completed after the leave was taken. On March 26, 2002 for example, the senior counsel completed several leave forms to show the leave taken in the previous three months for his private client work. In the absence of any timekeeping system, the accuracy of the time taken is not known.

Finally, the private practice work done by the senior counsel appears to have interfered with his duty to the Police Complaint Commissioner. Staff related several instances when the work of the commissioner had to be adjusted because the senior counsel was unavailable due to private practice commitments. Our interpretation of government policy is that the private sector work should be secondary to the work of the public sector employer.

If employees are to continue to be able to pursue other work interests, the agreement needs to become more business-like so that the obligations and accountabilities of each party are clearly defined.

## Financial Accountability

### *Accountability information about the use of financial resources does not meet public service standards*

The legislation establishing the Police Complaint Commissioner requires the commissioner to issue an annual report to the Speaker of the Legislative Assembly on the work of the office.

We found that annual reports for the Office of the Police Complaint Commissioner have been produced for each of the years it has been in existence. However, none of the reports adequately discloses how authorized funds were used. The reports contain budget information only (see Exhibit 1) at an aggregated level that provides little information about the intended use of financial resources.

#### Exhibit 1 Financial information from 2000 Annual Report

##### Budget

Fiscal Year ending 31 March 2001

|                              |                    |
|------------------------------|--------------------|
| Number of staff              | 9                  |
| Salaries and benefits        | \$703,000          |
| Other operating expenditures | \$424,000          |
| <b>TOTAL</b>                 | <b>\$1,127,000</b> |

A more appropriate presentation would have provided more detail about the operating expenditures and compared the budgeted amounts to actual levels of expenditures, with explanations of significant variances.

The presentation in the 2000 Annual Report we found to be particularly inadequate, as it presents no information about contingency vote funds that were requested and authorized. We noted that for the fiscal year 2000/01, a total of \$415,000 in contingency funding was requested and granted. This is a significant sum that should have been reflected in the annual report as additional spending authorizations.

Contingency funding was also received for fiscal 2001/02. A more apt presentation for that year's annual report would be as follows:

| <b>Statement of Operations</b>                           |                               |                               |                               |
|----------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>For the year ended March 31</b>                       | <b>2002<br/>Budget<br/>\$</b> | <b>2002<br/>Actual<br/>\$</b> | <b>2001<br/>Actual<br/>\$</b> |
| <b>Revenue</b>                                           |                               |                               |                               |
| Voted appropriation                                      | 1,159,000                     | 1,159,000                     | 1,127,000                     |
| Contingencies vote funding                               | —                             | 140,000                       | 415,000                       |
|                                                          | 1,159,000                     | 1,299,000                     | 1,542,000                     |
| <b>Expenses</b>                                          |                               |                               |                               |
| Salaries                                                 | 690,000                       | 597,647                       | 623,667                       |
| Employee benefits                                        | 150,000                       | 129,337                       | 91,020                        |
|                                                          | 840,000                       | 726,984                       | 714,687                       |
| Travel                                                   | 44,000                        | 39,742                        | 49,118                        |
| Professional services                                    | 115,000                       | 182,739                       | 418,529                       |
| Information systems                                      | 6,000                         | 43,332                        | 29,886                        |
| Office and business expenses                             | 35,000                        | 46,356                        | 48,297                        |
| Statutory publications                                   | 10,000                        | 3,911                         | 5,535                         |
| Vehicle use, maintenance                                 | 7,000                         | 6,653                         | 10,981                        |
| Amortization                                             | 16,000                        | 13,346                        | 19,033                        |
| Building occupancy                                       | 86,000                        | 95,771                        | 114,362                       |
|                                                          | 1,159,000                     | 1,158,834                     | 1,410,428                     |
| <b>Revenues over Expenses<br/>(Unused Appropriation)</b> | <b>0</b>                      | <b>140,166</b>                | <b>131,572</b>                |

The line titled "contingencies vote funding" shows the contingency funds approved for the Office of the Police Complaint Commissioner by Treasury Board. Over the four-year period the office has been in operation, it has faced regular challenges to stay within the initial voted appropriation. The Police Complaint Commissioner originally required additional funding to meet the operational needs to fulfil the office's mandate—staffing needs for the most part. Later, resources were needed to cover the cost of public hearings and responses to legal challenges regarding how the commissioner was carrying out his mandate.

Recent Treasury Board guidelines state annual reports must include information about the financial resources used and should compare actual expenditures to estimated amounts. Significant variances should be explained. The guidelines also suggest historical financial information covering several years could be provided in a separate table.

Accountability is enhanced by an independent audit function. Several years ago, the statutory officers reported to the Legislative Assembly on the operating principles which should govern how they conduct their affairs. In regard to accountability, they reported that officers of the Legislature should be subject to independent audits of their offices. Our financial statements are audited annually and the results included in our annual report. We plan to meet with the new commissioner to discuss how an annual audit of his or her office's finances could be undertaken.

## Budget and Contingency Funding

### *The Office of the Police Complaint Commissioner has a history of contingency funding requests*

During the annual budget process, government budgets for a "contingencies and new programs" vote—a mechanism that provides funding to meet the financial needs of unanticipated and contingent events. These include items that could be anticipated but not budgeted with enough certainty to make a reasonable estimate of budget costs. For fiscal 2001/02, \$220 million was made available in this vote. Over the past four years the Office of the Police Complaint Commissioner has gone to Treasury Board seven times to seek additional operating funds from the contingencies vote monies. In total, \$1,158,453 was requested and \$819,633 was provided.

While this could appear to be a case of an agency being unable to live within its budget, we found that approximately \$217,000 was to meet staff requirements in the first two years of operations, a time when the authorized FTEs went from 6 to 9. The office now has 11 authorized FTEs. Most of the remaining balance of funds went was to meet legislative requirements that could not be reasonably estimated at the time the annual budgets were developed.

For example, the office requested approximately \$813,000 to cover the costs of public hearings and contract counsel necessary to respond to legal challenges. Public hearings are required when a respondent asks for one or if the Police Complaint Commissioner believes a matter to be of public interest. Legal counsel must be used for public hearings. As well, use of legal counsel is required when challenges are made to the authority of the Police Complaint Commissioner to conduct the office's business as he or she determines. During the past few years of operations, several court cases have arisen as a result of these challenges and the commissioner retained contract counsel to maintain the integrity and independence of the office.

Because the original organizational structure for the office did not include provision for in-house counsel, the commissioner initially responded to these various legal events by hiring

lawyers on contract. To control the growing costs in this area, he subsequently seconded an experienced counsel from the Ministry of Attorney General in the fall of 2000; and revised his organization's structure and hired an in-house counsel in the fall of 2001.

Overall, we concluded that the use of contingencies vote funds was reasonable in the circumstances. Nevertheless, the matter highlights the weaknesses in the annual budgeting process for the office. As the number and duration of court challenges and public hearings cannot be predicted reliably beforehand, striking a realistic budget is difficult. Requests for some level of contingency funds will likely continue in future years, but at a lower level now that there is an in-house counsel.

The issue could continue being handled as it has in the past, with frequent requests to Treasury Board for additional funding. The commissioner proposed this type of arrangement to the Select Standing Committee on Finance and Government Services, suggesting that the office's approved budget be founded on the basic operating costs of the office but that funds for public hearings and court challenges be sought on an "as needed" basis.

Another approach would be to budget for a larger amount based on historical spending levels, with a commitment by the commissioner that the funds over basic operating costs would be used only if needed for public hearings and court challenges. This would reduce the number of requests for contingency funds and ease contract management concerns.

A third alternative was suggested by the Select Standing Committee on Finance and Government Services. In its December 2001 report to the Legislative Assembly, it recommended that the Police Complaint Commissioner be "enabled to adopt cost recovery measures in order to stabilize the operating budget for his office."

## Other Issues

### *Initial computerized complaints tracking system was scrapped for a less-complicated model*

In February 2002, we reported on how government manages its information technology projects. Management and delivery of such projects is challenging as evidenced by the fact that many fail to meet time or budget requirements and many of the projects started are never completed. Government policy provides guidelines intended to minimize the risks associated with such projects.

Before the Office of the Police Complaint Commissioner was opened, staff at the Ministry of Attorney General initiated a project to develop a computerized complaints tracking system for use by the 12 police departments in the province and the new commissioner. After more than \$300,000 had been spent over a two-year period ending in the summer of 1998, work on the system stopped. The Police Complaint Commissioner contracted for an external review of the project and shortly after that asked our Office to assess the recommendations of the contractor. From the external review, the contractor concluded that the system under development was too complex for the commissioner's requirements. We agreed. The commissioner then set up a manual tracking system while a simplified electronic system was developed by a new consultant. In the spring of 1999 electronic tracking of complaints began on the new system which cost approximately \$17,000 to develop.

Documents we examined showed a number of problems in project management during the development of the initial complaints tracking system. The contract administrator, a lawyer working as a consultant, had no expertise or special skills in systems development. A committee established to review progress had no representative from the commissioner's office because the project began before the office was staffed. Also, invoices from the consulting firm carrying out the development contained no information about what activities or progress had been made during the billing period. Overall, we therefore concurred with earlier assessments that the project had not been adequately managed and, as a result, expenditures of more than \$300,000 did not produce a useable product.

### *Personal use of leased vehicles is allowed*

The Police Complaint Commissioner has had a leased car since April 1999. This is consistent with government's personnel management policy, which provides deputy ministers and associate deputy ministers with a leased vehicle or, alternatively, a vehicle allowance. Government policy allows for personal use of leased vehicles.

On a leased vehicle, the lessee receives a taxable benefit for the portion of the kilometres driven for personal use. The payroll office of the Ministry of Finance annually requests information about vehicle use including the personal portion. From this information, payroll staff calculate the taxable benefit to be included on the lessee's income tax information slip.

The commissioner, we found, annually estimated his personal use portion and provided this information to the payroll office.

### *Costs to attend conferences were within guidelines*

In August 1999, we reported on the role of training and development in maintaining human capital in the public service. Investment in training and development is a strategic tool in managing an organization's largest asset—its people. A commitment to maintain an effective workforce in this manner can be linked to improved performance of the organization.

Concerns have been raised about whether the Police Complaint Commissioner was imprudent in the extent to which he allowed staff to attend conferences. For example, over the past two years, staff attended two conferences of the Canadian Association of Civilian Oversight of Law Enforcement. Five staff attended the Quebec conference (June 2001) and four attended the Winnipeg Conference (September 2000).

These numbers may appear high given that the office had only seven or eight staff at the time. However, the commissioner told us that he believed attendance at conferences gave staff opportunities to upgrade skills and knowledge and to share expertise and experiences. He also commented that since his office was in its infancy, efforts were needed to establish its reputation as a credible member of the community providing

civilian oversight of police complaints. We think that the cost of attendance at these conferences fell well within the commissioner's discretion and operating budget. Another manager may have decided differently but the commissioner's decision in this matter was not unreasonable.

Regarding the expense of travelling to the conferences, we found that the office followed government travel policies and guidelines to minimize costs. Economy airfares were booked and additional airfare savings gained through the scheduling of some Saturday night layovers. Costs incurred for accommodation, meals and ground transportation were also within the guidelines.

The concerns raised about conference travel led us to extend our review to other travel expenditures. We examined more than half of all expenses claimed by staff and found the amounts to be appropriate and in compliance with the guidelines.

### *Educating police officers about complaints issues may be outside of the enabling legislation*

Questions have been raised about whether the Office of the Police Complaint Commissioner was operating outside its legislative mandate by being involved in education—specifically, the education of police officers. As a result of this concern, we reviewed a number of educational seminars that the commissioner had organized and sponsored.

We found that although the legislation does not specifically provide for such activities, it does provide the opportunity for the commissioner to have a role in training programs. For instance, the commissioner may make recommendations to the Attorney General about assisting police departments in developing training programs designed to prevent recurrences of any problems revealed by the complaint process.

The commissioner had identified a need for consistency in the standards applied by police forces during investigations into police complaints. When he determined that the Justice Institute could not provide such training, he initiated development and delivery of several sessions. The cost of providing these seminars over a two-year period—primarily for police departments but also with some representation from government agencies—was about \$10,000. The financial records show that no reimbursement was sought or received from any of the participants.

Education may well provide good value for money by reducing the number of complaints. We suggest that the legislation be clarified regarding educating the police on complaints issues and that, if these activities continue, cost-sharing arrangements should be considered.

*General business expenses comply with government policies and guidelines*

Use of public money for the category of general business expenses allows for considerable discretion by a public official as to when such expenses are worthwhile. We found that most of these expenses were for business lunches held with members of the police community, contractors, community service groups and the Justice who authored the report that led to the establishment of the Police Complaint Commissioner. We found these expenses were related to the work of the commissioner and were consistent with government financial policies and guidelines.



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